



Agenda Date: 2/20/02

Agenda Item: 4B

**STATE OF NEW JERSEY**

***Board of Public Utilities***

*Two Gateway Center  
Newark, NJ 07102*

**TELECOMMUNICATIONS**

IN THE MATTER OF THE PETITION FOR AN )  
ORDER AUTHORIZING VIC-RMTS-DC, )  
LLC d/b/a ONE POINT COMMUNICATIONS )  
n/k/a VERIZON AVENUE TO PROVIDE LOCAL )  
EXCHANGE AND INTEREXCHANGE TELE- )  
COMMUNICATIONS SERVICES THROUGHOUT )  
NEW JERSEY )

**ORDER OF APPROVAL**

DOCKET NO. TE00060345

(SERVICE LIST ATTACHED)

BY THE BOARD:

By letter dated June 15, 2000, VIC-RMTS-DC, LLC d/b/a One Point Communications n/k/a Verizon Avenue (Petitioner or VA) filed a petition with the Board of Public Utilities (Board) requesting authority to provide local exchange and interexchange services throughout the State of New Jersey. Petitioner requested confidential treatment of the financial information in Exhibit 4 of its petition. On December 15, 2000, One Point Communications, the controlling company of VIC-RMTS-DC, LLC merged with Bell Atlantic Corporation d/b/a Verizon and changed its name to Verizon Avenue Corporation. By letter dated April 4, 2001 an amended petition was filed to change the name to VIC-RMTS-DC, LLC d/b/a Verizon Avenue. VA requested confidential treatment of Exhibit 6 of this amended petition. Petitioner responded to a Staff questionnaire by letter dated June 4, 2001 and to Staff interrogatories by letters dated June 20, 2001, July 5, 2001 and July 23, 2001.

According to the petition, Petitioner was incorporated under the laws of the State of Delaware on November 6, 1996. Petitioner's principal offices are located at Two Conway Park, 150 Field Drive, Suite 300, Lake Forrest, Illinois 60045. Amended Petition at 2.

Petitioner submitted copies of its Articles of Incorporation, New Jersey Certificate of Good Standing and its New Jersey Authority to Operate as a Foreign Corporation. Amended Petition at 3, 7, Exhibit 2, 3 and 7. According to the petition, VA was formed to provide local exchange and interexchange services. Amended Petition at 1. Petitioner advised that VA is currently authorized to provide facilities-based and resold local exchange and interexchange services in Arizona, Colorado, District of Columbia, Florida, Georgia, Illinois, Maryland, Massachusetts, New York, North Carolina, Oregon,

BPU DOCKET NO. TE00060345

Pennsylvania, Rhode Island, South Carolina, Tennessee and Virginia, as well as resold local exchange and interexchange service in Delaware. VA has not been denied authority to provide telecommunications services in any state. VA has no pending civil, criminal, or administrative actions against it.

VA advised that it has negotiated an interconnection agreement with Verizon.

In its petition, Petitioner states that it seeks authority to offer local exchange and interexchange services and high-speed Internet access to New Jersey residents residing in multiple dwelling units such as apartments and condominiums. Within the existing Verizon service areas in the state, the Company intends to act as a sales agent for Verizon. Outside of the Verizon service areas, the Company proposes to provision its services initially on a resale basis via the incumbent local exchange carrier (ILEC) per the terms of an interconnection agreement with the ILEC when one is negotiated. If sufficient market concentration is eventually developed outside of the Verizon footprint, the Company may enter the market on a facilities basis by deploying necessary equipment and outside plant facilities, and interconnecting to the network pursuant to any interconnection agreements with the ILECs. The company intends to offer high-speed Internet access service to customers using a combination of its own equipment, facilities and transmission lines leased from multiple providers throughout the state. The Company will obtain unbundled network elements and other necessary facilities as appropriate via tariffs, interconnection agreements or contracts from incumbent providers. June 4, 2001 letter, June 20, 2001 letter.

Petitioner requested a waiver of N.J.S.A. 48:3-7.8, and 14:10-1.16(b), which require that its books and records be maintained in accordance with the Uniform System of Accounts (USOA) and within the State of New Jersey. Petitioner requested that in the interest of efficiency and to prevent undue burden, its books and records will be maintained in accordance with Generally Accepted Accounting Principles (GAAP). Amended Petition at 11. Petitioner also requests permission to keep all books, records, documents and other writings incident to the conduct of business of Petitioner in the State of New Jersey at Petitioner's corporate offices in Lake Forrest, Illinois and Herndon, Virginia. Amended Petition at 9. Petitioner stated that, upon written notice from the Board, it will produce its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records. Amended Petition at 10.

Petitioner asserted that approval of its petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Amended Petition at 8. Petitioner also asserted that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings. Amended Petition at 8.

With regard to its technical and managerial qualifications, VA stated that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Amended Petition at 3. Petitioner submitted the professional biographies of its key personnel who, according to VA, are well qualified to execute its business plans, and have extensive managerial and technical experience in the telecommunications industry. Amended Petition at 3. Exhibit 4.

Petitioner has submitted as evidence of its financial qualifications actual balance sheets and other financial statements of its parent corporation, Verizon Avenue Corporation and Petitioner will need to file pro forma financials for its New Jersey operations prior to approval of its tariff.

By letter dated April 18, 2001, the Division of Ratepayer Advocate recommended approval of this petition.

### DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to a demonstration of financial, technical and managerial integrity.

In considering this application, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). Approval is also in keeping with the New Jersey State Legislature's decision that it is the policy of the State to provide diversity in the supply of telecommunications services, and its findings that competition will "promote efficiency, reduce regulatory delay and foster productivity and innovation: and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16 (a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed VA's petition and the information supplied in support thereof, the Board FINDS that Petitioner has demonstrated that it possesses the requisite financial, technical and managerial resources which are necessary to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES Petitioner to provide local exchange and interexchange telecommunications services in New Jersey subject to approval of its tariff and submission of pro forma financial statements for its New Jersey corporations. The Board notes that Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board and the required financial statements have been provided.

Therefore, subject to the Petitioner's continuing responsibility to provide adequate customer service and to provide the Board its books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES Petitioner's request for the exemptions from maintaining a customer care center in New Jersey and its books and records in New Jersey and under the USOA.

DATED: 2/20/02

BOARD OF PUBLIC UTILITIES  
BY:

(signed)  
JEANNE M. FOX  
ACTING PRESIDENT

(signed)  
FREDERICK F. BUTLER  
COMMISSIONER

(signed)  
CAROL J. MURPHY  
COMMISSIONER

(signed)  
CONNIE O. HUGHES  
COMMISSIONER

ATTEST:

(signed)  
HENRY M. OGDEN  
ACTING BOARD SECRETARY